

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA)	
)	
v.)	Criminal No. 16-08
)	
DOMINIC W. DILEO)	(21 U.S.C. §§ 841(a)(1),
ROSALIND SUGARMANN)	841(b)(1)(E)(i), 841(b)(2),
BRANDON S. EICHER)	and 846; and 18 U.S.C. §§
LOUIS M. POLITO)	1347 and 2)

FILED

SUPERSEDING INDICTMENT

APR - 5 2016

COUNTS ONE THROUGH NINETEEN

CLERK U.S. DISTRICT COURT
WEST. DIST. OF PENNSYLVANIA

The grand jury charges:

On or about the dates set forth below, in the Western District of Pennsylvania, defendant DOMINIC W. DILEO did knowingly, intentionally and unlawfully dispense and distribute, and cause to be dispensed and distributed, a quantity of Buprenorphine, also known as Suboxone, a Schedule III controlled substance, to a person known to the grand jury as "L", outside the usual course of professional practice and not for a legitimate medical purpose, each such instance being a separate count of this Superseding Indictment.

Count	Date
1	March 17, 2015
2	April 14, 2015
3	April 21, 2015
4	April 28, 2015
5	May 4, 2015

6	May 12, 2015
7	May 19, 2015
8	June 2, 2015
9	June 8, 2015
10	June 16, 2015
11	June 23, 2015
12	June 30, 2015
13	July 7, 2015
14	September 2, 2015
15	September 15, 2015
16	September 29, 2015
17	November 3, 2015
18	November 13, 2015
19	November 24, 2015

In violation of Title 21, United States Code, Sections
841(a)(1) and 841(b)(1)(E)(i).

COUNTS TWENTY THROUGH THIRTY-EIGHT

The grand jury further charges:

On or about the dates set forth below, in the Western District of Pennsylvania, defendant ROSALIND SUGARMANN did knowingly, intentionally and unlawfully distribute, and cause to be distributed, a quantity of Buprenorphine, also known as Suboxone, a Schedule III controlled substance, to a person known to the grand jury as "L", each such instance being a separate count of this Superseding Indictment.

Count	Date
20	March 17, 2015
21	April 14, 2015
22	April 21, 2015
23	April 28, 2015
24	May 4, 2015
25	May 12, 2015
26	May 19, 2015
27	June 2, 2015
28	June 8, 2015
29	June 16, 2015
30	June 23, 2015
31	June 30, 2015
32	July 7, 2015
33	September 2, 2015

34	September 15, 2015
35	September 29, 2015
36	November 3, 2015
37	November 13, 2015
38	November 24, 2015

In violation of Title 21, United States Code, Sections
841(a)(1) and 841(b)(1)(E)(i).

COUNTS THIRTY-NINE THROUGH TWO HUNDRED THIRTY-TWO

The grand jury further charges:

On or about the dates set forth below, in the Western District of Pennsylvania, defendant DOMINIC W. DILEO did knowingly, intentionally and unlawfully dispense and distribute, and cause to be dispensed and distributed, as aided and abetted by defendants LOUIS M. POLITO and ROSALIND SUGARMANN, a quantity of Buprenorphine, also known as Suboxone, a Schedule III controlled substance, in the name of "Larry Greene" to defendant ROSALIND SUGARMANN, outside the usual course of professional practice and not for a legitimate medical purpose, each such instance being a separate count of this Superseding Indictment.

Count	Date
39	January 15, 2013
40	January 23, 2013
41	January 30, 2013
42	February 6, 2013
43	February 13, 2013
44	February 20, 2013
45	February 27, 2013
46	March 6, 2013
47	March 13, 2013
48	March 20, 2013
49	March 27, 2013

50	April 3, 2013
51	April 10, 2013
52	April 17, 2013
53	April 23, 2013
54	May 1, 2013
55	May 8, 2013
56-57	May 15, 2013
58-59	May 22, 2013
60-61	May 29, 2013
62	June 5, 2013
63	June 12, 2013
64	June 19, 2013
65	June 26, 2013
66	July 3, 2013
67	July 10, 2013
68	July 17, 2013
69	July 24, 2013
70	July 31, 2013
71	August 7, 2013
72	August 21, 2013
73	August 28, 2013
74	September 4, 2013
75	September 11, 2013
76	September 18, 2013

77	September 25, 2013
78	October 2, 2013
79	October 9, 2013
80	October 16, 2013
81	October 23, 2013
82	October 30, 2013
83	November 6, 2013
84	November 13, 2013
85	November 20, 2013
86	November 27, 2013
87	December 4, 2013
88	December 11, 2013
89	December 18, 2013
90	December 24, 2013
91	December 30, 2013
92	January 4, 2014
93	January 9, 2014
94	January 15, 2014
95	January 22, 2014
96	January 29, 2014
97	February 5, 2014
98	February 12, 2014
99	February 19, 2014
100	February 26, 2014

101	March 5, 2014
102	March 12, 2014
103	March 19, 2014
104	March 26, 2014
105	April 2, 2014
106	April 3, 2014
107	April 9, 2014
108	April 16, 2014
109	April 17, 2014
110-111	April 23, 2014
112-113	April 30, 2014
114-115	May 7, 2014
116-117	May 14, 2014
118-119	May 21, 2014
120-121	May 28, 2014
122-123	June 4, 2014
124-125	June 11, 2014
126-127	June 18, 2014
128-129	June 25, 2014
130-131	July 2, 2014
132-133	July 9, 2014
134-135	July 16, 2014
136-137	July 23, 2014
138-139	July 30, 2014

140-141	August 5, 2014
142-143	August 20, 2014
144-145	August 27, 2014
146-147	September 3, 2014
148-149	September 10, 2014
150-151	September 17, 2014
152-153	September 24, 2014
154-156	October 1, 2014
157-158	October 8, 2014
159-160	October 15, 2014
161-162	October 22, 2014
163-164	October 29, 2014
165-166	November 5, 2014
167-168	November 12, 2014
169-170	November 19, 2014
171	November 26, 2014
172	December 3, 2014
173	December 10, 2014
174	December 17, 2014
175	December 24, 2014
176	December 31, 2014
177	January 7, 2015
178	January 13, 2015
179	January 21, 2015

180-181	January 27, 2015
182-183	February 3, 2015
184-185	February 10, 2015
186-187	February 17, 2015
188-189	February 24, 2015
190-191	March 3, 2015
192-193	March 9, 2015
194	March 11, 2015
195-197	March 16, 2015
198-200	March 23, 2015
201-203	March 30, 2015
204-206	April 6, 2015
207-208	April 14, 2015
209-210	April 20, 2015
211-212	April 27, 2015
213-214	May 4, 2015
215-216	May 11, 2015
217-218	May 18, 2015
219-220	May 22, 2015
221-222	June 1, 2015
223-224	June 8, 2015
225-226	June 15, 2015
227-228	June 22, 2015
229-230	June 29, 2015

231-232	July 6, 2015
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In violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(E)(i) and Title 18, United States Code, Section 2.

COUNT TWO HUNDRED THIRTY-THREE

The grand jury further charges:

From in and around January of 2013, and continuing thereafter to in and around November of 2015, in the Western District of Pennsylvania, defendants DOMINIC W. DILEO and ROSALIND SUGARMANN, did knowingly, intentionally and unlawfully conspire with each other and persons known to the grand jury to distribute a quantity of Buprenorphine, also known as Suboxone, a Schedule III controlled substance, contrary to the provisions of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(E)(i).

In violation of Title 21, United States Code, Section 846.

COUNTS TWO HUNDRED THIRTY-FOUR THROUGH TWO HUNDRED THIRTY-SEVEN

The grand jury further charges:

On or about the dates set forth below, in the Western District of Pennsylvania, defendant DOMINIC W. DILEO, did knowingly, intentionally and unlawfully dispense and distribute, and cause to be dispensed and distributed, a quantity of Alprazolam, also known as Xanax, a Schedule IV controlled substance, to a person known to the grand jury as "C", outside the usual course of professional practice and not for a legitimate medical purpose, each such instance being a separate count of this Superseding Indictment.

Count	Date
234	August 7, 2015
235	August 17, 2015
236	September 8, 2015
237	September 19, 2015

In violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(2).

COUNT TWO HUNDRED THIRTY-EIGHT

The grand jury further charges:

1. At all times material to this Superseding Indictment:

a. The Centers for Medicare and Medicaid Services, also known as CMS, was a federal agency within the United States Department of Health and Human Services, which administered the Medicaid program.

b. Medicaid was a health care benefit program, as defined in Title 18, United States Code, Section 24(b), that provided medical assistance and related services to needy individuals. CMS administered the Medicaid program at the federal level, and the Pennsylvania Department of Public Welfare (PDPW), also known as the Pennsylvania Department of Human Services, processed Medicaid claims submitted for various services for beneficiaries in Pennsylvania.

c. Value Behavioral Health ("VBH") was a privately owned entity which processed claims submitted on behalf of persons enrolled in the Medicaid program for mental health and substance abuse treatment and services in Western Pennsylvania.

d. Addiction Specialists, Inc. ("ASI") was a licensed provider of substance abuse treatment services, including counseling services, and was located at 1023 Pittsburgh Street in Uniontown, Pennsylvania.

e. Defendant ROSALIND SUGARMANN was an owner of ASI, and was in charge of the daily operations of ASI.

f. Defendant BRANDON S. EICHER was employed at ASI, and was the Clinical Supervisor at ASI.

g. The Medicaid program, through VBH, contracted with ASI to pay for group counseling services provided by ASI to persons enrolled in the Medicaid program, subject to certain restrictions relating to the methods for providing such services.

h. One of the restrictions relating to ASI's eligibility to receive Medicaid payments, through VBH, for a group counseling session, was that the group counseling session had to have ten or less clients/patients in the session.

i. In and around 2012, ASI began to provide substance abuse treatment involving prescriptions for and use of Buprenorphine, also known as Suboxone.

j. The treatments involving Suboxone included group counseling sessions for the clients/patients in ASI's outpatient Suboxone program.

The Scheme to Defraud

2. From in and around February of 2013, and continuing thereafter until in and around May of 2014, in the Western District of Pennsylvania and elsewhere, defendants ROSALIND SUGARMANN and BRANDON S. EICHER, along with persons known to the grand jury, perpetrated a scheme to defraud and to

obtain money from the Medicaid program, by means of materially false and fraudulent representations, pretenses and promises, in connection with the delivery of and payment for health care benefits and services, which scheme is further described below.

3. It was part of the scheme to defraud that, between in and around February of 2013, and continuing to in and around March of 2014, defendants ROSALIND SUGARMANN and BRANDON S. EICHER approved and directed the counselors at ASI to conduct group counseling sessions which included more than ten ASI patients/clients.

4. It was further a part of the scheme to defraud that defendants ROSALIND SUGARMANN and BRANDON S. EICHER caused claims to be submitted to VBH for group counseling sessions which included more than ten ASI patients/clients.

5. It was further a part of the scheme to defraud that VBH paid ASI for claims submitted by ASI for group counseling sessions which included more than ten ASI patients/clients.

6. In or around March of 2014, VBH conducted an audit of ASI's records for ASI patients/clients who were participating in the outpatient Suboxone program. In the first phase of that audit, VBH determined, by examining a random sample of ASI's sign-in sheets for group counseling sessions, that many of those counseling sessions included more than ten ASI patients/clients.

7. In and around April of 2014, VBH notified defendants ROSALIND SUGARMANN and BRANDON S. EICHER that VBH intended to recoup some of the money paid by VBH to ASI for such sessions, and further informed ASI that VBH was going to conduct a more in-depth review of the sign-in sheets for the group counseling sessions for ASI's outpatient Suboxone program.

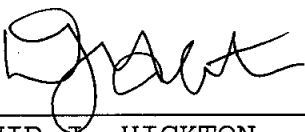
8. It was further a part of the scheme to defraud that, from in and around April of 2014, and continuing until in and around May of 2014, defendants ROSALIND SUGARMANN and BRANDON S. EICHER created false and fraudulent documents, including sign-in sheets, and caused other persons known to the grand jury to create false and fraudulent sign-in sheets, representing that numerous group counseling sessions for which ASI had been paid by VBH, included ten or less ASI patients/clients, when in truth and fact, and as defendants ROSALIND SUGARMANN and BRANDON S. EICHER well knew, such representations were false and fraudulent.

9. It was further a part of the scheme to defraud that, in and around late April of 2014, when VBH returned to ASI to conduct a more in-depth review of ASI's records relating to the group counseling sessions, defendants ROSALIND SUGARMANN and BRANDON S. EICHER provided and caused to be provided the above-referenced false and fraudulent records, including the false and fraudulent sign-in sheets, to VBH.

10. It was further a part of the scheme to defraud that, as a result of defendants ROSALIND SUGARMANN's and BRANDON S. EICHER's submission of the false and fraudulent records to VBH during VBH's audit, ASI was not required by VBH to return the money which VBH had paid to ASI for group counseling sessions which involved more than ten patients/clients, and for which false and fraudulent records had been submitted to VBH during VBH's audit.

In violation of Title 18, United States Code, Sections 1347 and 2.

A True Bill,



DAVID J. HICKTON
United States Attorney
PA ID No. 34524



FOREPERSON